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Research paper

An integrated multi stage, multi criteria analysis on psychical empowerment of employees under different leaderships – a comparative study

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Abstract

Leadership is the corner stone of an enterprise for its vision, mission and organic and inorganic growth. Employees are invaluable assets to an enterprise. However, it is true only when the actions of leadership and workforce are aligned to the vision and mission of the enterprise. An important proposition is "leadership style has its influence on psychological empowerment and job satisfaction of employees". This paper makes an empirical study of different leadership styles not only to know whether the proposition is affirmative but also its dynamics for each leadership style. It is achieved by investigating hypotheses associated with the proposition to add more value and clarity to the re-sults. This research is carried out in educational domain where random sampling is made among professors and head of the departments in two Indian universities named Vignan and KLU. The two-fold study consisting of secondary and primary research methods reveal interest-ing insights. Quantitative research method, survey with a well-defined questionnaire based on the hypotheses and sample size 126, is carried out and the results are subjected to quantitative analysis. The essence of the interpreted results is that there exists correlation between leader-ship style and psychological empowerment of employees. It is where this research adds more value to the proposition afore mentioned. The relationships among the variables such as leadership style, psychological empowerment in association with the hypotheses provide new research insights that help enterprises in the real world to adapt well suited leadership style for high productivity and organizational growth.

Keywords: Leadership Style; Psychological Empowerment; Enterprise; Job Satisfaction.

1. Introduction

Leadership style is an essential management tool which can leverage positive relationships with employees (Kara et al., 2013). Leadership is also considered as a process that results in social influence (Babcock-Roberson & Strickland, 2010). There are different leadership styles such as participative leadership, transactional leadership, transformational leadership, dissonant leadership, charismatic leadership and instrumental leadership (Cummings et al., 2010). Transformational leadership has four important features namely individualized influence on behaviour, individualized influence attributed, individualized consideration, and intellectual stimulation (Ismail et al., 2011). Participative leadership can induce trust among workforce besides resulting in psychological empowerment (Huang et al., 2010). Similarly, transformational leadership results in the psychological empowerment of employees and produce innovative behaviour among them (Pieterse et al., 2010; Zhu et al., 2012; Ismail et al., 2011). In fact empowerment is an act that enables people in the workplace to think and participate in decision making (Naumn et al., 2010). Followers' work attitude is influenced by transformational leadership. Thus transformational leaders have power that enable trust, respect and admiration of followers (Zhu et al., 2012). Transformational leadership style has impact on organizational performance (Ghafoor et al., 2011). The empowerment climate provided by such leaders can help improve customer service (Nauman et al., 2010).

The psychological perspective is focused on how employees experience empowerment at work? This perspective refers to empowerment as the personal beliefs that employees perform their role successfully in relation to the organization when people are feeling empowered at work, (Spreitzer's (1995) p; 1444)

There are another aspect with respect to female employees in workplace and their quality of life. Transformational leadership has its impact on the quality of life of female employees. With transformational leadership, the quality of working life is improved which in turn results in life satisfaction (Kara et al., 2013). In this paper we made an empirical study further into the impact of leadership style on employee empowerment and job satisfaction. The remainder of the paper is structured as follows. Section 2 provides contributions of the study. Section 3 reviews relevant literature. Section 4 provides objectives of the study. Section 5 throws light into hypotheses. Section 6 covers research methodology. Section 7 presents data analysis and interpretation. Section 8 lists the findings of the study while section 9 concludes the paper.

2. Contributions of the study

Leadership is generally instrumental for organizational growth. The rationale behind this is that it makes decisions on what needs to be done. The leadership affects an organization either positively and negatively. Leadership style has its influence on the empowerment of employees. The aim of the research is to investigate the impact of leadership style on psychological empowerment of em-

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ployees. An empirical attempt was made to study the stated objective. Towards this end educational domain with two universities as case study organizations was chosen. They are the Vignan University and the KLU. Both universities do have huge number of employees working at different capacities. With sample size of 126, we completed empirical study with quantitative research method known as survey. An appropriate questionnaire is prepared carefully based on the research topic. The survey results are analyzed, interpreted and correlated with the insights of literature review. The empirical results reveal that the hypotheses are positively tested. There is significant relationship between leadership style and employee empowerment. Therefore to reiterate the findings, leadership style affects employee empowerment. Employees' psychological empowerment leads to performance and organizational growth.

3. Literature review

Leadership fosters psychological empowerment (Nauman et al., 2010). Empowering leadership has positive impact on the psychological empowerment of employees. Psychological empowerment in turn has impact on intrinsic motivation and creative process management (Zhang and Batrol, 2010). Innovative employee behaviour is essential for growth of organizations. It is found that transformational leadership is effective for producing innovative behaviour among employees (Pieterse et al., 2010). On the contrary, transactional leadership has negative impact on the innovative behaviour of employees (Schippers et al., 2009). Psychological empowerment of employees is also possible with participative leadership as it can create trust among employees and enhances work performance (Huang et al., 2010). Transformational leadership has positive relationship with organizational identification of followers (Zhu et al., 2012).

Transformational leadership enables psychological ownership and in turn it leads to employee performance, self efficacy, accountability, belongingness, and self-identity (Ghafoor et al., 2011). It has relationship with individual, team and organization level performance positively (Wang et al., 2011). There is relationship between transformational leadership and employee performance. Transformational leadership can encourage relational identification of followers for helping them to have self-efficacy which leads to followers' performance. Relational identification is somehow associated with followers showing performance beyond expectations (Waumbwa & Hartnell, 2011).

Employee psychological empowerment leads to creativity (Zhang and Batrol, 2010). Moreover psychological empowerment and innovative behaviour among employees depend on transformational leadership (Schippers et al., 2009). Psychological mechanisms are widely depicted in the form of exchange-based model and motivation based model in the context of participative leadership (Huang et al., 2010). Humour of leaders has its impact on the employees' psychological empowerment. The human in the workplace increases empowerment feeling of employees positively (Gkorezis et al., 2011).

There is positive relationship between organizational commitment and transformational leadership. In other words, the empowerment caused by transformational leadership leads to organizational commitment (Ismail et al., 2011). Leaders' moral competence has its effect on the outcomes of employees. It also has relationship with psychological empowerment of employees. In turn the psychological empowerment leads to task performance and organizational citizenship behaviour towards leader (Yeol Kim and Minsoo Kim, 2012). Employee engagement in organizations has its mediating role in empowering leadership and outcomes at least partially (Albrecht and Andreetta, 2010). When empowering leadership is higher, there are positive relationships between leader trust and employee voice in terms of coaching, informing and decision making (Janssen et al., 2011).

With respect to transformational leadership different characteristics are found. They include individual consideration, intellectual stimulation, inspirational motivation, idealized behaviours, and idealized attributes. It results in the quality of work life of female employees in term of knowledge needs, actualization needs, esteem needs, social needs, economic and family needs and health and family needs (Kara et al., 2013). In the literature it is given important to ethics of leaders as well. Ethical leaders could influence innovative work behaviour of employees. It was achieved with leaders' mediation of intrinsic motivation which occurs at individual level and group level (Yidong & Xinxin, 2013). Ethical leadership positively affects employee voice and psychological ownership besides directly influencing psychological well-being of employees and job satisfaction (Avey et al., 2012). Ethical leadership improves employee job performance as an ethical leader strong moral person and strong moral manager (Bello, 2012).

In a hierarchical structure empowering leadership results in employee satisfaction, employee performance either directly or through mediating effects of functional resistance and dysfunctional resistance (Pearce et al., 2010). Different leadership styles produce different results. The bottom line is that there is impact of leadership on organizational commitment. Transformational leadership has its impact on organization commitment through organization culture and employee values. Employee value proposition encapsulates collegial work environment, manager quality, respect, future career opportunities, development opportunities, stability and compensation (Sohail et al., 2011). Employee empowerment and employee creativity are related. Structural empowerment partially mediates between employee empowerment and transformational leadership (Sun et al., 2012).

Employee empowerment has its relation with job satisfaction. There is relationship between transformational leadership and employee empowerment which leads to job satisfaction (Gill et al., 2010). Empowering leadership and also the team climate have impact on knowledge sharing behaviour of team members. It is done by affecting attitude of employees positively (Liang et al., 2010). There is a notion of safety leadership which contains the combination of transactional and transformational leadership styles. There is relationship between safety climate and participation of employees in the work place (Clarke, 2013).

4. Objectives

The following are the objectives of the study used to achieve the aim of the research:

- To investigate present state-of-art on the relationship between leadership style and employees' psychological empowerment.
- To study the impact of leadership style on psychological Empowerment of employees.

5. Hypothesis

From the review of literature the following hypotheses are conceived. They are discussed here to understand the meaning of them in the context of the study.

H01: There is a significant relationship between leadership style and psychological empowerment.

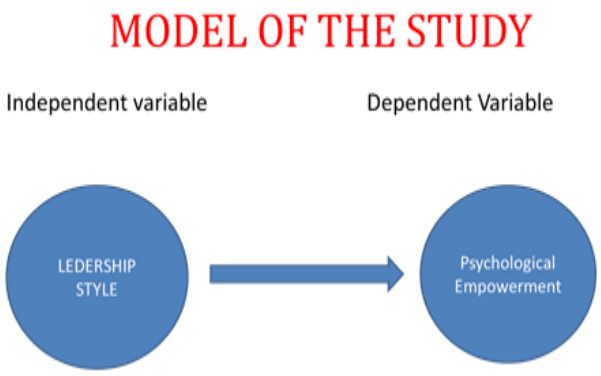


Fig. 1: Hypothesized Model.

6. Research methodology

The aim of the study is to investigate the impact of leadership styles in organizations in terms of employee psychological empowerment and job satisfaction. Organizations considered for the empirical study are Vignan University and KL University located in Andhra Pradesh state of India. These universities have hundreds of employees. Random sampling is the sampling method employed for identifying respondents. The sample size considered is 63 from KLU and 63 from Vignan University. The research method considered is structured survey. A carefully designed questionnaire is used for the collection of primary data. The questionnaire covers questions pertaining to employee empowerment as dependent variable and independent variable is leadership style. Job satisfaction is also associated with the research as a dependent variable. Gender is an important control variable used in the research. Ethical considerations are followed by the researcher to keep the private information of the respondents confidential. It was considered as human subjects are involved in the research. After conducting the research by distributing questionnaire to selected sample, the results are obtained and interpreted using statistical analysis. The results are further subjected to hypotheses testing to have useful findings of the research.

7. Results and interpretation

The primary data collection from the respondents is analysed, interpreted and organized into many tables. The data analysis is made organization wise and gender wise. Gender is an important control variable considered. Leadership style is the independent variable while employee psychological empowerment is dependent variables.

Table 1: Demographics of Respondents of KLU University

Age in yrs	No. of Respondents	Percent	Experience	No of Respondents	Percent
less than 30	19	28.78	0-2 years	5	7.57
31 to 40	22	37.87	2-5 years	16	25.75
41 to 50	22	33.33	5-10 years	22	33.33
Above 50	0	0	Above 10 years	20	33.33
Total	63	100	Total	63	100
Gender	No. of Respondents	Percent	Designation	No. of Respondents	Percent
Male	45	71.21	Head of the department	12	18.18
Female	19	28.78	Professor (assistant/associate)	51	81.81
Total	63	100	Total	63	100

(Source: Primary data)

Table 2: Demographics of Respondents of Vignan's University

Age in yrs	No. of Respondents	Percent	Experience	No of Respondents	Percent
less than 30	4	6.34	0-2 years	0	0
31 to 40	35	55.55	2-5 years	12	19.04
41 to 50	24	38.09	5-10 years	29	46.03
Above 50	0	0	Above 10 years	22	34.92
Total	63	100	Total	63	100
Gender	No. of Respondents	Percent	Designation	No. of Respondents	Percent
Male	41	65.07	Head of the department	19	30.15
Female	22	34.92	Professor (assistant/ associate)	44	69.8
Total	63	100	Total	63	100

Correlation analysis
K. L. University

Table 3: Correlation of Leadership and Psychological Empowerment.

Correlations			
		ML	MPE
ML	Pearson correlation	1	.264**
	Sig. (2-tailed)		0.000
	N	62	62
MJS	Pearson Correlation	.264**	1
	Sig. (2-tailed)	0.000	
	N	62	62

** Correlation is significant at the 0.01 level (2-tailed).

It reveals that there is positive correlation between leadership and employee psychological empowerment. The better is the leadership the high will be the empowerment. The hypothesis of relationship between leadership and employee psychological were tested using simple linear regression. The regression results in Table revealed that the predictor variable contribute significantly and had a moderate impact on the leadership (R2 = 0.456). The corresponding ANOVA value (F= 74.893, p=0.000) for the regression models had influenced the validation with psychological empowerment.

The coefficient summary shown in Table revealed that beta values of Predictor effects and beta estimates (unstandardized) for determinant attributes of leadership associated with pe(B=.341, t=8.745, p=0.000) was significant predictor of psychological empowerment. The results were implicit that predictor variable was related with dependent variable. Hence, null hypothesis was disapproved and

alternative hypothesis was accepted, as their p-values are less than 0.05. Hence the following simple linear regression model
Leadership (Y) = 3.017+0.356(PE) X.
It reveals that there is positive correlation between leadership and employee psychological empowerment. The better is the leadership the high will be the empowerment. The hypothesis of relationship between leadership and employee psychological were tested using simple linear regression. The regression results in Table revealed that the predictor variable contribute significantly and had a moderate impact on the leadership (R2 = 0.356). The corresponding ANOVA value (F= 65.487, p=0.000) for the regression models had influenced the validation with psychological empowerment.
Vignan's University

Table 4: Regression Model Summarizes for the Effect of Leadership on Psychological Empowerment

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	ANOVA Df1	Df2	F-Value	Sig.
1	.342a	.456	.454	.52447	1	62	82.867	0.000a

Dependent Variable: MPE

Table 5: Predictor Effects and Beta Estimates (Unstandardized) for Leadership Associated with Psychological Empowerment

Model	Variable	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
1	ML	B	Std. Error	Beta		
	Constant	3.017	.171		17.838	0.000
	Psychological Empowerment	.356	0.036	.341	8.745	0.000

Table 6: Correlation of Leadership and Psychological Empowerment

Correlations		ML	MPE
ML	Pearson correlation	1	.257**
	Sig. (2-tailed)		0.000
	N	62	62
MJS	Pearson Correlation	.257**	1
	Sig. (2-tailed)	0.000	
	N	62	62

** Correlation is significant at the 0.01 level (2-tailed).

Table 7: Regression Model Summarizes for the Effect of Leadership on Psychological Empowerment (Vignan's University)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	ANOVA Df1	Df2	F-Value	Sig.
1	.336a	.356	.354	.47552	1	62	65.487	0.000a

Dependent Variable: MPE

Table 8: Predictor Effects and Beta Estimates (Unstandardized) for Leadership Associated with Psychological Empowerment

Model	Variable	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
1	ML	B	Std. Error	Beta		
	Constant	3.020	.169		17.778	0.000
	Psychological Empowerment	.353	0.032	.339	8.574	0.000

The coefficient summary shown in Table revealed that beta values of Predictor effects and beta estimates (unstandardized) for determinant attributes of leadership associated with PE(B=.339, t=8.574, p=0.000) was significant predictor of psychological empowerment. The results were implicit that predictor variable was related with dependent variable. Hence, null hypothesis was disapproved and alternative hypothesis was accepted as their p-values are less than 0.05. Hence the following simple linear regression model Leadership (Y) = 3.020+0.353(PE) X.

8. Finding

There is a significant relationship between leadership style with psychological empowerment and its dimensions. The results show that there is a significant relationship between leadership style with psychological empowerment.

9. Conclusion

It is essential to reassess work processes and redesign in such a way that has full conformity with their leadership style and its progress through the process. It has been proposed to give more focus on leadership style which leads to staff empowerment and to be taken seriously.

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